

CITY OF SAN DIEGO

General Fund Multi-Year Financial Forecast Model

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This Multi-Year Financial Forecast (MYFF) is intended to serve as a planning tool to bring a long- range perspective to the City's budget process. This forecast is not a prediction; it relies heavily on assumptions regarding economic events and policy decisions. Nor is the MYFF a budget; it does not make revenue or expenditure decisions. By providing a forecast of revenues and expenditures over a five-year period, the MYFF will assist the City in identifying long-term trends, risks, and opportunities for developing strategies for achieving structural balance and eliminating deficits. Incorporation of this long-term perspective into the annual budget process will allow the City to make decisions today that will reduce the risk of budget gaps in the future.

**OBJECTIVES, ASSUMPTIONS, AND RESULTS ARE MORE FULLY DESCRIBED IN THE ACCOMPANYING
MULTI-YEAR FINANCIAL FORECAST REPORT.**

CITY OF SAN DIEGO

General Fund Multi-Year Financial Forecast Model

Overview of Forecast Schedules

Schedule I: Summary - Base Case

This schedule provides an overview of the City's General Fund and General Purpose projected revenues, expenditures, and debt service. The supporting detail is found in Schedules II-VII. General Fund revenues and expenditures (excluding debt service) are presented first, with a net surplus/shortfall. These are followed by General Purpose revenues and expenditures, which include General Fund revenues and expenditures, debt service on existing and anticipated debt, and revenues and expenditures of Special Funds that are heavily integrated with the General Fund, such as the Transient Occupancy Tax Fund.

Schedule I-B: Summary - Alternative Scenario

This schedule provides a summary forecast of the City's General Fund and General Purpose projected revenues and expenditures through fiscal year 2009-10, without implementing the FY 2006 Departmental Expenditure Reductions listed in Schedule III. This forecast also includes salary increases of 3% for all projected years. Revenues are unchanged from the rest of the model.

Schedule II: General Fund Revenues (Reflected in Base Case and Alternative Scenarios)

This schedule displays existing and projected revenues by revenue category. General Fund revenues are broken out by major revenue category and then combined with an aggregate Special Funds revenue (summarized from Schedule IV) to show total projected General Purpose revenues. Two revenue scenarios are presented: Revenue Scenario 1 excludes new revenue sources (one-time and recurring) whereas Revenue Scenario 2 includes new revenue sources. This schedule includes a list of assumptions used for the revenue projections.

Schedule III: General Fund Expenditures (Reflected in Base Case)

This schedule provides a summary of projected general fund expenditures by expenditure type. Expenditure solutions recommendations are also included. The schedule makes expenditure assumptions based on projections detailed in a list of assumptions included in the schedule and detailed further in the accompanying MYFF report. This schedule includes a list of assumptions used for the expenditure projections.

Schedule IV: Special Funds - General Purpose Revenues and Operating Expenditures (Reflected in Base Case and Alternative Scenarios)

This schedule presents detail for the division of General Purpose revenues to the General Fund and to various Special Funds. Detail is provided for Sales Tax, Transient Occupancy Tax, Franchise Fees, and Public Safety Sales Tax. Aggregate Special Fund expenditures (net of debt service and transfers) are also presented.

Schedule V: TOT Fund/Special Promotional Program Allocations (Reflected in Base Case and Alternative Scenarios)

This schedule provides detail for projected Transient Occupancy Tax Fund expenditures and Special Promotional Programs allocations. The revenues for these funds are drawn from the revenue detail shown in Schedule IV; excess revenues in the two funds above expenditures are added back to the General Fund in Schedule IV.

Schedule VI: Annual Debt Service (Reflected in Base Case and Alternative Scenarios)

Annual debt service on existing and anticipated City obligations is listed in this schedule. Existing debt, categorized by type, is listed by issue. Projected debt service on future issuances is aggregated by issuance type.

Schedule VII: Outstanding Principal on General Fund Debt (Reflected in Base Case and Alternative Scenarios)

This schedule lists projected outstanding principal for existing and anticipated obligations. Existing debt is categorized by type and listed by issue; projected debt is aggregated by issuance type. The outstanding debt calculations in this schedule are used for the financial ratios in Schedule VIII.

Schedule VIII: Financial and Debt Indicators (Reflected in Base Case and Alternative Scenarios)

Based on General Purpose revenues (from Schedule I), projected debt (from Schedules VI and VII) and projected City statistics, some financial ratios are shown, including: Net Lease Burden, Gross Lease Burden, Direct Net Debt as % of Assessed Valuation, Debt per Capita, and Assessed Valuation per Capita. The intent of this schedule is to gauge the City's financial health based on various revenue/expenditure scenarios.

CITY OF SAN DIEGO
General Fund Financial Forecast Model
Schedule I: Summary - Base Case

	Budgeted FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
GENERAL FUND REVENUES AND EXPENDITURES						
General Fund Revenues - from Schedule II, Revenue Scenario 2 (Includes New Revenue Sources)						
Property Tax	\$ 269,553,640	\$ 290,444,405	\$ 327,382,787	\$ 347,030,137	\$ 366,030,961	\$ 386,161,382
Other Local Taxes	213,068,150	233,143,342	240,805,466	253,220,936	266,537,644	280,204,241
Licences and Permits	26,682,190	27,314,010	27,724,543	28,152,917	28,599,999	29,066,697
Fines, Forfeitures, and Penalties	32,003,864	31,039,923	31,865,725	32,719,348	33,601,931	34,514,662
Revenue from Money and Property	92,328,058	97,205,235	104,857,026	112,341,221	118,503,362	124,039,896
Revenue from Other Agencies	33,141,648	27,013,853	20,199,946	20,856,877	22,276,168	22,946,474
Charges for Current Services	82,602,526	75,624,824	77,137,320	78,680,067	80,253,668	81,858,742
Transfers from Other Funds	67,174,045	56,051,853	62,343,709	62,343,694	68,216,569	71,929,064
Other Revenue	878,868	700,000	700,000	700,000	700,000	700,000
New Revenues - One-time						
FEMA Reimburse for FY 05 Winter Storms	-	TBD	-	-	-	-
Library System Improvement Program/TOT and Tobacco (delay facilities)	-	10,442,827	-	-	-	-
Fire/Lifeguard Facilities/Safety Sales Tax (delay facilities)	-	2,305,684	-	-	-	-
Waiver of Mission Bay Ordinance	-	1,444,178	-	-	-	-
Future Miscellaneous Revenues	-	-	11,000,000	11,000,000	11,000,000	11,000,000
Subtotal New Revenues - One-time	\$ -	\$ 14,192,689	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
New Revenues - Recurring						
EGF Fund Transfer	-	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
Eliminate Right of Way Fee	-	(2,300,000)	-	-	-	-
Subtotal New Revenues - Recurring	\$ -	\$ 4,300,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000
Total Revenues - Budgeted	\$ 817,432,989	\$ 857,030,134	\$ 910,616,522	\$ 953,645,198	\$ 1,002,320,302	\$ 1,049,021,157
Sales Tax Allocation to General Fund Unappropriated Reserve	\$ 2,161,620	\$ 3,715,465	\$ 5,933,133	\$ 4,491,507	\$ 3,089,539	\$ 2,335,043
Total General Fund Revenues	\$ 819,594,609	\$ 860,745,599	\$ 916,549,655	\$ 958,136,705	\$ 1,005,409,842	\$ 1,051,356,200
General Fund Expenditures (Excluding Debt Service) - from Schedule III						
Committed Expenditures						
Committed Expenditures by Category						
Salaries & Wages	\$ 442,495,859	\$ 462,598,470	\$ 440,612,093	\$ 440,454,080	\$ 448,911,338	\$ 460,765,568
Negotiated Salary Adjustments	-	(14,803,151)	-	8,809,082	8,978,227	9,215,311
Average Salary Adjustments	-	-	(1,000,000)	(2,500,000)	2,000,000	3,500,000
Total Salaries & Wages	\$ 442,495,859	\$ 447,795,319	\$ 439,612,093	\$ 446,763,161	\$ 459,889,565	\$ 473,480,879
Retirement*	111,052,270	154,788,378	152,042,982	159,699,002	203,793,371	223,395,084
Fringe (w/o Retirement or Flex)	46,312,393	44,970,664	47,368,873	51,653,773	55,265,977	58,965,674
Flexible Benefits	37,518,763	36,676,339	36,676,339	39,896,705	43,399,835	47,210,558
Supplies and Services	125,941,888	125,545,393	127,073,995	129,754,888	132,704,430	135,503,564
Information Technology	19,554,311	20,723,424	20,723,424	21,345,127	21,985,481	22,645,045
Energy/Utilities	17,751,958	17,706,891	17,706,891	18,238,098	18,785,241	19,348,798
Equipment Outlay	16,805,547	13,412,112	13,412,112	13,814,475	14,228,910	14,655,777
Total Committed Exp. by Category	\$ 817,432,989	\$ 861,618,520	\$ 854,616,710	\$ 881,165,229	\$ 950,052,808	\$ 995,205,378
Committed Expenditures - Non-Department Specific	-	-	4,096,753	4,197,029	4,304,078	4,409,560
Total Committed Expenditures	\$ 817,432,989	\$ 861,618,520	\$ 858,713,462	\$ 885,362,258	\$ 954,356,885	\$ 999,614,938
Reserve Contribution	\$ 2,161,620	\$ 3,715,465	\$ 5,933,133	\$ 4,491,507	\$ 3,089,539	\$ 2,335,043
Total General Fund Expenditures (before Solutions)	\$ 819,594,609	\$ 865,333,985	\$ 864,646,595	\$ 889,853,765	\$ 957,446,425	\$ 1,001,949,981
Net Surplus / (Shortfall) before Solutions	\$ -	\$ (4,588,386)	\$ 51,903,060	\$ 68,282,940	\$ 47,963,417	\$ 49,406,219

* Actuarial contribution rate projections are based on Fiscal Year 2004 valuation results and were prepared by the City's consulting actuary. Fiscal Year 2009 spike is due to the Gleason Settlement having been fulfilled, and the amortization changing from 30 to 15 years per approval of Proposition G.

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule I: Summary - Base Case

	Budgeted FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Total General Fund Expenditures (Excluding D/S)	\$ 819,594,609	\$ 865,333,985	\$ 864,646,595	\$ 889,853,765	\$ 957,446,425	\$ 1,001,949,981
Net Surplus / (Shortfall) before Solutions	\$ -	\$ (4,588,386)	\$ 51,903,060	\$ 68,282,940	\$ 47,963,417	\$ 49,406,219
Expenditure Solution Adjustments						
Departmental Expenditure Reductions	-	(24,642,428)	-	-	-	-
Furlough	-	-	-	-	-	-
Waiver of Parking Meter District Alloc.	-	(802,149)	-	-	-	-
Revenue Enhancements	-	-	-	-	-	-
Subtotal Expenditure Solution Adjustments	\$ -	\$ (25,444,577)	\$ -	\$ -	\$ -	\$ -
Total General Fund Expenditures with Solutions	\$ 819,594,609	\$ 839,889,408	\$ 864,646,595	\$ 889,853,765	\$ 957,446,425	\$ 1,001,949,981
Net Surplus / (Shortfall) with Solutions	\$ -	\$ 20,856,191	\$ 51,903,060	\$ 68,282,940	\$ 47,963,417	\$ 49,406,219
GF Unappropriated Reserve (Unbudgeted)	32,886,371	36,601,836	42,534,968	47,026,476	50,116,015	52,451,058
Reserve as % of Revenues	4.02%	4.27%	4.67%	4.93%	5.00%	5.00%

GENERAL PURPOSE REVENUES AND EXPENDITURES

General Purpose Revenues

General Fund Revenues - from Schedule II, Revenue Scenario 2	\$ 819,594,609	\$ 860,745,599	\$ 916,549,655	\$ 958,136,705	\$ 1,005,409,842	\$ 1,051,356,200
Special Fund Revenues - from Schedule IV	104,322,989	104,518,286	111,633,534	119,040,248	120,795,888	124,673,985
General Purpose Revenues	\$ 923,917,598	\$ 965,263,885	\$ 1,028,183,189	\$ 1,077,176,953	\$ 1,126,205,730	\$ 1,176,030,185

General Purpose Expenditures

General Fund Expenditures - from Schedule III	\$ 819,594,609	\$ 839,889,408	\$ 864,646,595	\$ 889,853,765	\$ 957,446,425	\$ 1,001,949,981
Special Fund Operating Expenditures - from Schedule IV	59,943,864	62,612,993	72,335,570	79,849,352	81,733,303	90,456,422
Existing Debt Service - from Schedule VI	44,379,125	41,905,293	39,297,964	39,190,896	39,062,585	34,217,563
Anticipated Debt Issuances - from Schedule VI	-	-	5,621,484	6,785,664	13,039,719	13,043,945
Retirement Liability Solutions	-	20,856,191	46,281,576	61,497,277	34,923,698	36,362,274
General Purpose Expenditures	\$ 923,917,598	\$ 965,263,885	\$ 1,028,183,189	\$ 1,077,176,953	\$ 1,126,205,730	\$ 1,176,030,185

General Purpose Surplus / (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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* Actuarial contribution rate projections are based on Fiscal Year 2004 valuation results and were prepared by the City's consulting actuary. Fiscal Year 2009 spike is due to the Gleason Settlement having been fulfilled, and the amortization changing from 30 to 15 years per approval of Proposition G.

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule I-B: Summary - Alternative Scenario

	Budgeted FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
GENERAL FUND REVENUES AND EXPENDITURES						
General Fund Revenues - from Schedule II, Revenue Scenario 2 (Includes New Revenue Sources)						
Property Tax	\$ 269,553,640	\$ 290,444,405	\$ 327,382,787	\$ 347,030,137	\$ 366,030,961	\$ 386,161,382
Other Local Taxes	213,068,150	233,143,342	240,805,466	253,220,936	266,537,644	280,204,241
Licences and Permits	26,682,190	27,314,010	27,724,543	28,152,917	28,599,999	29,066,697
Fines, Forfeitures, and Penalties	32,003,864	31,039,923	31,865,725	32,719,348	33,601,931	34,514,662
Revenue from Money and Property	92,328,058	97,205,235	104,857,026	112,341,221	118,503,362	124,039,896
Revenue from Other Agencies	33,141,648	27,013,853	20,199,946	20,856,877	22,276,168	22,946,474
Charges for Current Services	82,602,526	75,624,824	77,137,320	78,680,067	80,253,668	81,858,742
Transfers from Other Funds	67,174,045	56,051,853	62,343,709	62,343,694	68,216,569	71,929,064
Other Revenue	878,868	700,000	700,000	700,000	700,000	700,000
New Revenues - One-time						
FEMA Reimburse for FY 05 Winter Storms	-	TBD	-	-	-	-
Library System Improvement Program/TOT and Tobacco (delay facilities)	-	10,442,827	-	-	-	-
Fire/Lifeguard Facilities/Safety Sales Tax (delay facilities)	-	2,305,684	-	-	-	-
Waiver of Mission Bay Ordinance	-	1,444,178	-	-	-	-
Future Miscellaneous Revenues	-	-	11,000,000	11,000,000	11,000,000	11,000,000
Subtotal New Revenues - One-time	\$ -	\$ 14,192,689	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
New Revenues - Recurring						
EGF Fund Transfer	-	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
Eliminate Right of Way Fee	-	(2,300,000)	-	-	-	-
Subtotal New Revenues - Recurring	\$ -	\$ 4,300,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000
Total Revenues - Budgeted	\$ 817,432,989	\$ 857,030,134	\$ 910,616,522	\$ 953,645,198	\$ 1,002,320,302	\$ 1,049,021,157
Sales Tax Allocation to General Fund Unappropriated Reserve	\$ 2,161,620	\$ 3,715,465	\$ 5,933,133	\$ 4,491,507	\$ 3,089,539	\$ 2,335,043
Total General Fund Revenues	\$ 819,594,609	\$ 860,745,599	\$ 916,549,655	\$ 958,136,705	\$ 1,005,409,842	\$ 1,051,356,200
General Fund Expenditures (Excluding Debt Service) - from Schedule III						
Committed Expenditures						
Committed Expenditures by Category						
Salaries & Wages	\$ 442,495,859	\$ 462,598,470	\$ 483,880,224	\$ 498,319,424	\$ 513,146,427	\$ 531,519,811
Negotiated Salary Adjustments	-	13,877,954	14,516,407	14,949,583	15,394,393	15,945,594
Average Salary Adjustments	-	-	(1,000,000)	(2,500,000)	2,000,000	3,500,000
Total Salaries & Wages	\$ 442,495,859	\$ 476,476,424	\$ 497,396,630	\$ 510,769,006	\$ 530,540,820	\$ 550,965,406
Retirement*	111,052,270	163,901,610	171,266,486	181,416,158	233,374,536	257,713,710
Fringe (w/o Retirement or Flex)	46,312,393	48,100,232	55,533,348	59,013,126	63,663,705	68,495,922
Flexible Benefits	37,518,763	39,390,057	42,103,775	45,800,697	49,822,227	54,196,868
Supplies and Services	125,941,888	125,545,393	132,073,995	134,854,888	137,906,430	140,809,604
Information Technology	19,554,311	20,723,424	20,723,424	21,345,127	21,985,481	22,645,045
Energy/Utilities	17,751,958	17,706,891	17,706,891	18,238,098	18,785,241	19,348,798
Equipment Outlay	16,805,547	13,412,112	13,412,112	13,814,475	14,228,910	14,655,777
Total Committed Exp. by Category	\$ 817,432,989	\$ 905,256,143	\$ 950,216,661	\$ 985,251,576	\$ 1,070,307,349	\$ 1,128,831,130
Committed Expenditures - Non-Department Specific	-	-	4,196,753	4,299,029	4,408,118	4,515,681
Total Committed Expenditures	\$ 817,432,989	\$ 905,256,143	\$ 954,413,413	\$ 989,550,604	\$ 1,074,715,466	\$ 1,133,346,810
Reserve Contribution	\$ 2,161,620	\$ 3,715,465	\$ 5,933,133	\$ 4,491,507	\$ 3,089,539	\$ 2,335,043
Total General Fund Expenditures (before Solutions)	\$ 819,594,609	\$ 908,971,608	\$ 960,346,546	\$ 994,042,112	\$ 1,077,805,006	\$ 1,135,681,853
Net Surplus / (Shortfall) before Solutions	\$ -	\$ (48,226,009)	\$ (43,796,891)	\$ (35,905,407)	\$ (72,395,164)	\$ (84,325,653)

* Actuarial contribution rate projections are based on Fiscal Year 2004 valuation results and were prepared by the City's consulting actuary. Fiscal Year 2009 spike is due to the Gleason Settlement having been fulfilled, and the amortization changing from 30 to 15 years per approval of Proposition G.

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule I-B: Summary - Alternative Scenario

	Budgeted FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Total General Fund Expenditures (Excluding D/S)	\$ 819,594,609	\$ 908,971,608	\$ 960,346,546	\$ 994,042,112	\$ 1,077,805,006	\$ 1,135,681,853
Net Surplus / (Shortfall) before Solutions	\$ -	\$ (48,226,009)	\$ (43,796,891)	\$ (35,905,407)	\$ (72,395,164)	\$ (84,325,653)
Expenditure Solution Adjustments						
Departmental Expenditure Reductions	-	-	-	-	-	-
Furlough	-	-	-	-	-	-
Waiver of Parking Meter District Alloc.	-	-	-	-	-	-
Revenue Enhancements	-	-	-	-	-	-
Subtotal Expenditure Solution Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund Expenditures with Solutions	\$ 819,594,609	\$ 908,971,608	\$ 960,346,546	\$ 994,042,112	\$ 1,077,805,006	\$ 1,135,681,853
Net Surplus / (Shortfall) with Solutions	\$ -	\$ (48,226,009)	\$ (43,796,891)	\$ (35,905,407)	\$ (72,395,164)	\$ (84,325,653)
GF Unappropriated Reserve (Unbudgeted)	32,886,371	36,601,836	42,534,968	47,026,476	50,116,015	52,451,058
Reserve as % of Revenues	4.02%	4.27%	4.67%	4.93%	5.00%	5.00%

GENERAL PURPOSE REVENUES AND EXPENDITURES

General Purpose Revenues

General Fund Revenues - from Schedule II, Revenue Scenario 2	\$ 819,594,609	\$ 860,745,599	\$ 916,549,655	\$ 958,136,705	\$ 1,005,409,842	\$ 1,051,356,200
Special Fund Revenues - from Schedule IV	104,322,989	104,518,286	111,633,534	119,040,248	120,795,888	124,673,985
General Purpose Revenues	\$ 923,917,598	\$ 965,263,885	\$ 1,028,183,189	\$ 1,077,176,953	\$ 1,126,205,730	\$ 1,176,030,185

General Purpose Expenditures

General Fund Expenditures - from Schedule III	\$ 819,594,609	\$ 908,971,608	\$ 960,346,546	\$ 994,042,112	\$ 1,077,805,006	\$ 1,135,681,853
Special Fund Operating Expenditures - from Schedule IV	59,943,864	62,612,993	72,335,570	79,849,352	81,733,303	90,456,422
Existing Debt Service - from Schedule VI	44,379,125	41,905,293	39,297,964	39,190,896	39,062,585	34,217,563
Anticipated Debt Issuances - from Schedule VI	-	-	5,621,484	6,785,664	13,039,719	13,043,945
Retirement Liability Solutions	-	-	-	-	-	-
General Purpose Expenditures	\$ 923,917,598	\$ 1,013,489,894	\$ 1,077,601,564	\$ 1,119,868,023	\$ 1,211,640,613	\$ 1,273,399,783

General Purpose Surplus / (Shortfall) \$ - \$ (48,226,009) \$ (49,418,375) \$ (42,691,070) \$ (85,434,883) \$ (97,369,598)

* Actuarial contribution rate projections are based on Fiscal Year 2004 valuation results and were prepared by the City's consulting actuary. Fiscal Year 2009 spike is due to the Gleason Settlement having been fulfilled, and the amortization changing from 30 to 15 years per approval of Proposition G.

CITY OF SAN DIEGO
General Fund Financial Forecast Model

Schedule II: General Fund Revenues (Reflected in Base Case and Alternative Scenarios)

	Budgeted FY 2004-05	Projected FY 2005-06*	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Current General Fund Revenue Sources						
Property Tax Revenue	\$ 269,553,640	\$ 290,444,405	\$ 327,382,787	\$ 347,030,137	\$ 366,030,961	\$ 386,161,382
Other Local Taxes						
Sales Tax	\$ 135,780,787	\$ 146,371,423	\$ 149,046,728	\$ 156,829,722	\$ 165,069,734	\$ 172,916,570
Safety Sales Tax	3,932,596	4,937,734	5,385,650	5,216,503	5,212,858	5,656,531
Transient Occupancy Tax	62,781,514	66,927,748	70,274,136	73,787,843	77,477,235	81,351,097
Property Transfer Tax	10,573,253	14,906,437	16,098,952	17,386,868	18,777,818	20,280,043
Subtotal Other Local Taxes	\$ 213,068,150	\$ 233,143,342	\$ 240,805,466	\$ 253,220,936	\$ 266,537,644	\$ 280,204,241
Licences and Permits						
Business License Tax	\$ 12,935,000	\$ 13,734,000	\$ 13,734,000	\$ 13,734,000	\$ 13,734,000	\$ 13,734,000
Parking Meters	6,636,815	6,868,315	7,211,731	7,572,317	7,950,933	8,348,480
Other Licenses and Permits	7,110,375	6,711,695	6,778,812	6,846,600	6,915,066	6,984,217
Subtotal Licenses and Permits	\$ 26,682,190	\$ 27,314,010	\$ 27,724,543	\$ 28,152,917	\$ 28,599,999	\$ 29,066,697
Fines, Forfeitures, & Penalties						
CVC Violations	\$ 7,344,809	\$ 6,030,000	\$ 6,120,450	\$ 6,212,257	\$ 6,305,441	\$ 6,400,022
City Parking Violations	17,171,472	17,171,472	17,514,901	17,865,199	18,222,503	18,586,954
Other F, F&P	7,487,583	7,838,451	8,230,374	8,641,892	9,073,987	9,527,686
Subtotal Fines, Forfeitures, & Penalties	\$ 32,003,864	\$ 31,039,923	\$ 31,865,725	\$ 32,719,348	\$ 33,601,931	\$ 34,514,662
Revenue from Money & Property						
Interest Earnings	\$ 1,200,223	\$ 1,200,223	\$ 3,172,820	\$ 5,264,258	\$ 5,668,879	\$ 5,058,234
Franchises	56,782,641	63,489,876	67,934,167	72,689,559	77,777,828	83,222,276
Mission Bay Rents & Concessions	23,181,000	21,506,177	22,741,079	23,378,445	24,047,696	24,750,428
Other Rents & Concessions	11,164,194	11,008,959	11,008,959	11,008,959	11,008,959	11,008,959
Subtotal Revenue from Money & Property	\$ 92,328,058	\$ 97,205,235	\$ 104,857,026	\$ 112,341,221	\$ 118,503,362	\$ 124,039,896
Revenue from Other Agencies						
Vehicle License Fees	\$ 9,865,939	\$ 9,516,832	\$ 9,992,674	\$ 10,492,307	\$ 11,016,923	\$ 11,567,769
State Grants & Allocations	9,161,533	7,296,533	2,074,200	2,074,200	2,074,200	2,074,200
Carryover/Tobacco Revenue	11,600,000	9,930,966	7,863,550	8,020,848	8,915,523	9,034,983
Other	2,514,176	269,522	269,522	269,522	269,522	269,522
Subtotal Revenue from Other Agencies	\$ 33,141,648	\$ 27,013,853	\$ 20,199,946	\$ 20,856,877	\$ 22,276,168	\$ 22,946,474
Charges for Current Services	\$ 82,602,526	\$ 75,624,824	\$ 77,137,320	\$ 78,680,067	\$ 80,253,668	\$ 81,858,742
Transfers from Other Funds						
Transfer from TOT Fund	\$ 32,841,197	\$ 28,850,071	\$ 35,141,927	\$ 35,141,912	\$ 41,014,787	\$ 44,727,282
One-Time Revenues	13,888,000	-	-	-	-	-
Other Transfers	20,444,848	27,201,782	27,201,782	27,201,782	27,201,782	27,201,782
Subtotal Transfers from Other Funds	\$ 67,174,045	\$ 56,051,853	\$ 62,343,709	\$ 62,343,694	\$ 68,216,569	\$ 71,929,064
Other Revenue	\$ 878,868	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Subtotal Current Revenue Sources	\$ 817,432,989	\$ 838,537,445	\$ 893,016,522	\$ 936,045,198	\$ 984,720,302	\$ 1,031,421,157

* FY 2005-06 revenue projection is based on growth over FY 2004-05 year-end estimates, not FY 2004-05 budgeted revenues.

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule II: General Fund Revenues (Reflected in Base Case and Alternative Scenarios)

	Budgeted FY 2004-05	Projected FY 2005-06*	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Revenue Scenario 1: No New Revenue Sources						
Current General Fund Revenue Sources	\$ 817,432,989	\$ 838,537,445	\$ 893,016,522	\$ 936,045,198	\$ 984,720,302	\$ 1,031,421,157
New Revenues - One-time						
Not Included	-	-	-	-	-	-
Subtotal New Revenues - One-time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Revenues - Recurring						
Not Included	-	-	-	-	-	-
Subtotal New Revenues - Recurring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund Revenues - Budgeted	\$ 817,432,989	\$ 838,537,445	\$ 893,016,522	\$ 936,045,198	\$ 984,720,302	\$ 1,031,421,157
Sales Tax Allocation to General Fund Unappropriated Reserve	2,161,620	3,715,465	5,933,133	4,491,507	3,089,539	2,335,043
Scenario 1 General Fund Revenues	\$ 819,594,609	\$ 842,252,910	\$ 898,949,655	\$ 940,536,705	\$ 987,809,842	\$ 1,033,756,200
Total Special Fund Revenues - from Schedule IV	104,322,989	104,518,286	111,633,534	119,040,248	120,795,888	124,673,985
Scenario 1 General Purpose Revenues	\$ 923,917,598	\$ 946,771,196	\$ 1,010,583,189	\$ 1,059,576,953	\$ 1,108,605,730	\$ 1,158,430,185

Revenue Scenario 2: Includes New Revenue Sources (Used in both Base Case and Alternative Scenario)

Current General Fund Revenue Sources	\$ 817,432,989	\$ 838,537,445	\$ 893,016,522	\$ 936,045,198	\$ 984,720,302	\$ 1,031,421,157
New Revenues - One-time						
FEMA Reimburse for FY 05 Winter Storms	-	TBD	-	-	-	-
Library System Improvement Program/TOT and Tobacco (delay facilities)	-	10,442,827	-	-	-	-
Fire/Lifeguard Facilities/Safety Sales Tax (delay facilities)	-	2,305,684	-	-	-	-
Waiver of Mission Bay Ordinance	-	1,444,178	-	-	-	-
Future Miscellaneous Revenues	-	-	11,000,000	11,000,000	11,000,000	11,000,000
Subtotal New Revenues - One-time	\$ -	\$ 14,192,689	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
New Revenues - Recurring						
EGF Fund Transfer	-	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000
Eliminate Right of Way Fee	-	(2,300,000)	-	-	-	-
Subtotal New Revenues - Recurring	\$ -	\$ 4,300,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000
Total General Fund Revenues - Budgeted	\$ 817,432,989	\$ 857,030,134	\$ 910,616,522	\$ 953,645,198	\$ 1,002,320,302	\$ 1,049,021,157
Sales Tax Allocation to General Fund Unappropriated Reserve	2,161,620	3,715,465	5,933,133	4,491,507	3,089,539	2,335,043
Scenario 2 General Fund Revenues	\$ 819,594,609	\$ 860,745,599	\$ 916,549,655	\$ 958,136,705	\$ 1,005,409,842	\$ 1,051,356,200
Total Special Fund Revenues - from Schedule IV	104,322,989	104,518,286	111,633,534	119,040,248	120,795,888	124,673,985
Scenario 2 General Purpose Revenues	\$ 923,917,598	\$ 965,263,885	\$ 1,028,183,189	\$ 1,077,176,953	\$ 1,126,205,730	\$ 1,176,030,185

* FY 2005-06 revenue projection is based on growth over FY 2004-05 year-end estimates, not FY 2004-05 budgeted revenues.

CITY OF SAN DIEGO**General Fund Financial Forecast Model**

Schedule II: General Fund Revenues (Reflected in Base Case and Alternative Scenarios)

*Revenue Assumptions***PROPERTY TAX**

The property tax forecast assumes a 7.5% growth rate in FY06, 6.5% growth in FY07, 6.0% growth in FY08, and 5.5% growth in FY09 and FY10. The forecast also takes into account the VLF-property tax swap implemented in FY05, as well as the negotiated \$16.9 contribution to the State in FY07 (ERAFIII)

OTHER LOCAL TAXES

Sales Tax	The sales tax forecast assumes a 4.5% growth rate in FY06, and a 4.0% growth rate in FY07-10. Sales tax revenue is allocated to various non-General Funds and to the General Fund. The non-General Fund allocations are projected separately from the sales tax. The sales tax forecast includes the property tax reimbursement from the Triple-flip.
Safety Sales Tax	The forecast assumes a 5.0% growth rate, using the FY06 estimate as the base. This growth rate for safety sales tax is greater than the that of regular sales due to a different method of allocation. Safety sales tax is first allocated to the Fire and Lifeguard Facilities Fund for debt services. The remainder is allocated to the General Fund.
Transient Occupancy Tax	The TOT forecast assumes 5.0% growth. Of the 10.5% levy, 5.5 cents is allocated to the General Fund. 5.0 cents is allocated to the Transient Occupancy Tax Fund, in addition to the equivalent of 3.5 cents of sales tax. These revenues in the Transient Occupancy Tax Fund are used for debt service payments and special promotional programs.
Property Transfer Tax	The property transfer tax forecast assumes 10% growth in FY06 and 8% growth in FY07-10.

LICENSES AND PERMITS

Business License Taxes	Business license taxes are grown at a 0% growth rate, using the FY06 estimate as the base. This growth rate is based on historical trend.
Parking Meters	Parking meter revenue is projected to grow by 5% per year, using the FY06 estimate as the base. This growth rate is based on historical trend.
Other Licenses & Permits	Other Licenses & Permits includes revenues from permit fees. The year-to-year growth on these revenues changes based on the level of activity, as well as fee increases. The forecast does not assume any fee increases, but instead assumes a 1% annual increase in activity, using the FY06 estimate as the base.

FINES, FORFEITURE & PENALTIES

California Vehicle Code Violations	The forecast assumes a 1.5% growth, using the FY06 estimate as a base. This growth rate is based on historical trend.
City Parking Violations	The forecast assumes a 2% growth rate, using the FY06 estimate as a base. This growth rate is based on historical trend. The forecast does not assume any increases to parking citation fines.
Other Fines, Forfeitures & Penalties	Other Fines, Forfeitures & Penalties includes miscellaneous fines and penalties. The forecast assumes a 5% growth rate, using the FY06 estimate as the base.

REVENUE FROM MONEY & PROPERTY

Interest Earnings	The interest earnings forecast is based on an estimate of the average earnings on the investment pool as provided by the Investments Division of the City Treasurer's Department. These earning rates are applied to the estimated investment pool, which is assumed to grow at the same rate as General Fund revenue. The General Fund's share of the total investment pool is assumed to be 13% based on historical trend.
Franchise Fees	The forecast for franchise fee revenue is the sum of individual forecasts for each of the City's franchises. Franchise revenue from SDG&E is projected to grow by 8% per year, using the FY06 estimate as a base. Franchise revenue from Cox Cable and Time-Warner Cable is projected to grow at 6% per year. All other franchises are projected to grow approximately 5% per year.
Mission Bay Rents & Concessions	The forecast assumes a 5% growth in Mission Bay Lease revenue, using the FY06 estimate as a base. The projection does not assume a waiver of the Mission Bay Ordinance.
Other Rents & Concession	The forecast projects a 0% growth rate, due to the lack of an apparent historical trend.

CITY OF SAN DIEGO
General Fund Financial Forecast Model

Schedule II: General Fund Revenues (Reflected in Base Case and Alternative Scenarios)

Revenue Assumptions

REVENUE FROM OTHER AGENCIES

Vehicle License Fees	The forecast for vehicle license fees assumes a 5% growth rate, using the FY06 estimate as a base. The forecast reflects the VLF-property tax swap that was implemented in FY05.
State Grants and Allocations	The forecast assumes a 0% growth rate, using the FY06 estimate as a base. Booking fee reimbursements by the State are assumed to be eliminated beginning in FY 2007.
Carryover/Tobacco Revenue	Tobacco revenue is typically budgeted as carryover in the fiscal year following that in which it is received. The Carryover/Tobacco Revenue projection is based on the estimated Tobacco Settlement Revenue that the City expects to receive in the prior fiscal year, less the tobacco allocation to the Library Financing Plan. The projection for FY06 includes an additional carryover increment.
Other	The forecast for Other Revenue from Other Agencies assumes a 0% growth rate, base on the lack of apparent historical trend.

CHARGES FOR CURRENT SERVICES	The forecast for Charges for Current Services assumes a 2% growth rate, reflecting projected growth in activity. Much of the historical growth in this revenue category is based upon increases to fees and charges. The forecast does not assume any increases to these fees and charges.
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TRANSFERS FROM OTHER FUNDS

Transfer from the TOT Fund	The TOT fund is funded with TOT and sales tax revenue. Various allocations are made from the fund for debt service payments on capital improvements, and for special promotional activities. After all allocations are made, the balance is transferred back to the General Fund. In FY06, allocations to most community and promotional groups has been reduced by 10% from FY05 levels. A 3% growth rate is then assumed for these allocation in FY07-10. Debt service allocations for all years are based on current cash-flow estimates. TOT fund revenue is based on the TOT and sales tax revenue projections.
One-Time Revenue	In most fiscal years, one-time revenues are used to balance the budget. No one-time revenues have been assumed in the 5-Year revenue forecast.
Other Transfers	Other transfers are typically determined concurrent with the annual budget process. As a result, a 0% growth rate is assumed for these transfers.

OTHER REVENUE	The forecast for Other Revenue assumes a 0% growth rate, based on the lack of an apparent historical trend.
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CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule III: General Fund Expenditures (Reflected in Base Case)

	Budgeted FY 2004-05	Prop. Budget FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Revenues						
Projected Revenues from Schedule II, Scenario 2 (Includes New Revenue Sources), w/Reserve Contribution	\$ 819,594,609	\$ 860,745,599	\$ 916,549,655	\$ 958,136,705	\$ 1,005,409,842	\$ 1,051,356,200
Expenditures						
Committed Expenditures						
Salaries & Wages	\$ 442,495,859	\$ 462,598,470	\$ 440,612,093	\$ 440,454,080	\$ 448,911,338	\$ 460,765,568
Negotiated Salary Adjustments	-	(14,803,151)	-	8,809,082	8,978,227	9,215,311
Average Salary Adjustments	-	-	(1,000,000)	(2,500,000)	2,000,000	3,500,000
Salaries & Wages	\$ 442,495,859	\$ 447,795,319	\$ 439,612,093	\$ 446,763,161	\$ 459,889,565	\$ 473,480,879
Retirement*						
Retirement	\$ 86,685,110	\$ 119,949,527	\$ 117,184,560	\$ 123,070,912	\$ 164,912,445	\$ 182,049,736
Retirement offset	24,367,160	24,487,495	23,264,904	23,643,349	24,338,017	25,057,289
Retiree Health	-	10,351,356	11,593,519	12,984,741	14,542,910	16,288,059
Subtotal Retirement	\$ 111,052,270	\$ 154,788,378	\$ 152,042,982	\$ 159,699,002	\$ 203,793,371	\$ 223,395,084
Fringe (w/o Retirement or Flex)	46,312,393	44,970,664	47,368,873	51,653,773	55,265,977	58,965,674
Flexible Benefits	37,518,763	36,676,339	36,676,339	39,896,705	43,399,835	47,210,558
Supplies and Services**	125,941,888	125,545,393	127,073,995	129,754,888	132,704,430	135,503,564
Information Technology	19,554,311	20,723,424	20,723,424	21,345,127	21,985,481	22,645,045
Energy/Utilities	17,751,958	17,706,891	17,706,891	18,238,098	18,785,241	19,348,798
Equipment Outlay	16,805,547	13,412,112	13,412,112	13,814,475	14,228,910	14,655,777
Subtotal Committed Expenditures	\$ 817,432,989	\$ 861,618,520	\$ 854,616,710	\$ 881,165,229	\$ 950,052,808	\$ 995,205,378
Committed Expenditures - Non-Department Specific						
Increases to Supplies and Services (2.0%)	\$ -	\$ -	\$ 2,541,480	\$ 2,595,098	\$ 2,654,089	\$ 2,710,071
Increases to Information Technology (3.0%)	-	-	621,703	640,354	659,564	679,351
Increases to Energy/Utilities (3.0%)	-	-	531,207	547,143	563,557	580,464
Increases to Equipment Outlay (3.0%)	-	-	402,363	414,434	426,867	439,673
Subtotal Non-Departmental Committed Expenditures	\$ -	\$ -	\$ 4,096,753	\$ 4,197,029	\$ 4,304,078	\$ 4,409,560
Deposit to Reserve (Unbudgeted)	\$ 2,161,620	\$ 3,715,465	\$ 5,933,133	\$ 4,491,507	\$ 3,089,539	\$ 2,335,043
Total Expenditures	\$ 819,594,609	\$ 865,333,985	\$ 864,646,595	\$ 889,853,765	\$ 957,446,425	\$ 1,001,949,981
Net Surplus / (Shortfall)	\$ -	\$ (4,588,386)	\$ 51,903,060	\$ 68,282,940	\$ 47,963,417	\$ 49,406,219
Solution Recommendations						
Departmental Expenditure Reductions	\$ -	\$ (24,642,428)	\$ -	\$ -	\$ -	\$ -
Furlough	-	-	-	-	-	-
Waiver of Parking Meter District Alloc.	-	(802,149)	-	-	-	-
Revenue Enhancements	-	-	-	-	-	-
Subtotal Solution Recommendations	\$ -	\$ (25,444,577)	\$ -	\$ -	\$ -	\$ -
Total Expenditures with Solutions	\$ 819,594,609	\$ 839,889,408	\$ 864,646,595	\$ 889,853,765	\$ 957,446,425	\$ 1,001,949,981
Net Surplus / (Shortfall) with Solutions	\$ -	\$ 20,856,191	\$ 51,903,060	\$ 68,282,940	\$ 47,963,417	\$ 49,406,219

* Actuarial contribution rate projections are based on Fiscal Year 2004 valuation results and were prepared by the City's consulting actuary. Fiscal Year 2009 spike is due to the Gleason Settlement having been fulfilled, and the amortization changing from 30 to 15 years per approval of Proposition G.

** FY 2006-07 Supplies and Services includes reinstatement of transfer for Parking Meter District Allocation.

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule III: General Fund Expenditures (Reflected in Base Case)

Expenditure Assumptions

COMMITTED EXPENDITURES

The following categories include new funding for committed departmental expenditures -- see Appendix, Exhibits 1 and 2 for detail. The Appendix is located on the City's website at <http://www.sandiego.gov/budget>

Salaries & Wages

Negotiated Salary Adjustments

Average Salary Adjustments

Negotiated salary adjustments of -3.2%, 0.0%, 2.0%, 2.0% and 2.0% are projected for Fiscal Years 2006, 2007, 2008, 2009, and 2010, respectively. Fiscal Year 2007 – assumes savings due to large populations already at “E” step and likely increased terminations, new hires and movement. Also includes adjustment for continuation of FY 2006 Departmental Expenditure Reductions.

Fiscal Year 2008 – assumes savings due to increased movement and new hires.

Fiscal Year 2009 – assumes increased expense due primarily to decreased movement and step increases during the build-up cycle of the job class populations.

Fiscal Year 2010 – assumes increased expense due primarily to decreased movement and step increases during the build-up cycle of the job class populations.

Retirement

Retirement Offset

Retiree Health

Actuarial contribution rate projections are based on Fiscal Year 2004 valuation results and were prepared by the City's consulting actuary. Fiscal Year 2009 spike is due to the Gleason Settlement having been fulfilled, and the amortization changing from 30 to 15 years per approval of Proposition G.

Fiscal Year 2006 is based on Proposed Budget; All subsequent fiscal years assume no change to the Offset Rate applied to the current year's salaries. Fiscal Year 2007 amount includes adjustment for continuation of FY 2006 Departmental Expenditure Reductions.

Fiscal Year 2006 is based on Proposed Budget; assumes a 10.6% increase from the projected FY 2005 amount. FY 2007 to 2010 assume an annual 12% increase.

Fringe (w/o Retirement)

Fiscal Year 2006 is based on Proposed Budget. Subsequent fiscal years projections based on FY2005 fringe rate. This rate is adjusted annually for inflation at 3.09%, 3.18%, 3.28%, 3.38% and 3.48% for FY2006, FY2007, FY2008, FY 2009 and FY 2010, respectively. Fiscal Year 2007 includes adjustment for continuation of FY 2006 Departmental Expenditure Reductions.

Flexible Benefits

Supplies and Services

Fiscal Year 2006 is based on Proposed Budget. Flex benefits figures include 0.0% growth in FY 2006-07; 8.78% annual growth thereafter.

Fiscal Year 2006 is based on Proposed Budget. All subsequent years - See "Committed Expenditures - Non-Department Specific" below for assumed annual adjustments. FY 2007 to 2010 include addition of committed departmental expenditures; FY 2007 includes a \$5,000,000 reduction from FY 2006 base expenditures.

Information Technology

Energy/Utilities

Equipment Outlay

Fiscal Year 2006 is based on Proposed Budget. All subsequent fiscal years - See "Committed Expenditures - Non-Department Specific" below for assumed annual adjustments.

Fiscal Year 2006 is based on Proposed Budget. All subsequent fiscal years - See "Committed Expenditures - Non-Department Specific" below for assumed annual adjustments.

Fiscal Year 2006 is based on Proposed Budget. All subsequent fiscal years - See "Committed Expenditures - Non-Department Specific" below for assumed annual adjustments.

Committed Expenditures - Non-Department Specific

Supplies and Services

Information Technology

Energy/Utilities

Equipment Outlay

Fiscal Year 2006 is based on Proposed Budget. All subsequent fiscal years - Non-Discretionary expenses are projected to increase at a rate of 2.0% annually.

Fiscal Year 2006 is based on Proposed Budget. All subsequent fiscal years - Non-Discretionary expenses are projected to increase at a rate of 3.0% annually.

Fiscal Year 2006 is based on Proposed Budget. All subsequent fiscal years - Non-Discretionary expenses are projected to increase at a rate of 3.0% annually.

Fiscal Year 2006 is based on Proposed Budget. All subsequent fiscal years - Non-Discretionary expenses are projected to increase at a rate of 3.0% annually.

Solution Recommendations

Dept. Expenditure Reductions

Furlough

Waiver of Parking Meter Dist. Alloc.

Revenue Enhancements

Fiscal Year 2006 includes Departmental Expenditure Reduction of \$24,642,428, carried forward to future fiscal years.

If approved by City Council.

Fiscal Year 2006 includes \$802,149 waiver.

If approved by City Council.

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule IV: Special Funds - General Purpose Revenues and Operating Expenditures (Reflected in Base Case and Alternative Scenarios)

	Budgeted FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Special Fund Revenues						
Sales Tax						
TOT Fund/Special Promotional	\$ 39,951,873	\$ 42,590,385	\$ 44,719,905	\$ 46,955,900	\$ 49,303,695	\$ 51,768,880
Street Division	13,777,255	16,023,836	16,023,836	16,023,836	16,023,836	16,023,836
Police Decentralization	9,445,982	8,918,861	9,093,861	9,268,861	9,443,861	9,618,861
Redevelopment Public Use	1,771,827	2,039,771	2,162,157	2,291,887	2,429,400	2,575,164
PETCO Park	-	-	-	-	-	-
Unappropriated Reserve Contribution	2,161,920	3,715,465	5,933,133	4,491,507	3,089,539	2,335,043
Other	1,130,955	1,048,549	1,048,548	1,048,549	1,048,549	1,048,549
General Fund	135,780,787	144,071,423	149,046,728	156,829,722	165,069,734	172,916,570
Total Sales Tax	\$ 204,020,599	\$ 218,408,290	\$ 228,028,168	\$ 236,910,262	\$ 246,408,614	\$ 256,286,903
Transient Occupancy Tax						
TOT Fund/Special Promotional	\$ 57,074,104	\$ 60,843,408	\$ 63,885,578	\$ 67,079,857	\$ 70,433,850	\$ 73,955,542
General Fund	62,781,514	66,927,748	70,274,136	73,787,843	77,477,235	81,351,097
Total Transient Occupancy Tax	\$ 119,855,618	\$ 127,771,156	\$ 134,159,714	\$ 140,867,700	\$ 147,911,085	\$ 155,306,639
Franchise Fees						
Environmental Growth Fund	\$ 11,215,590	\$ 12,690,904	\$ 13,706,176	\$ 14,802,670	\$ 15,986,884	\$ 17,265,835
General Fund	56,782,641	63,489,876	67,934,167	72,689,559	77,777,828	83,222,276
Total Franchise Fees	\$ 67,998,231	\$ 76,180,780	\$ 81,640,343	\$ 87,492,229	\$ 93,764,712	\$ 100,488,111
Public Safety Sales Tax						
Fire and Lifeguard Facilities Fund	\$ 2,796,600	\$ 1,646,408	\$ 2,735,400	\$ 3,310,600	\$ 3,740,600	\$ 3,744,600
General Fund	3,932,596	6,087,926	5,385,650	5,216,503	5,212,858	5,656,531
Total Public Safety Sales Tax	\$ 6,729,196	\$ 7,734,334	\$ 8,121,050	\$ 8,527,103	\$ 8,953,458	\$ 9,401,131
Total Special Fund Revenues (Excluding Sales Tax Allocation to Reserve)						
	\$ 137,164,186	\$ 145,802,122	\$ 153,375,461	\$ 160,782,160	\$ 168,410,675	\$ 176,001,267
Less: TOT Transfer to General Fund - from Schedule V	(32,841,197)	(34,683,836)	(35,141,927)	(35,141,912)	(41,014,787)	(44,727,282)
Less: EGF Transfer to General Fund	-	(6,600,000)	(6,600,000)	(6,600,000)	(6,600,000)	(6,600,000)
Total Special Fund Revenues (Excluding General Fund Transfers and Sales Tax Allocation to Reserve)	\$ 104,322,989	\$ 104,518,286	\$ 111,633,534	\$ 119,040,248	\$ 120,795,888	\$ 124,673,985
Less: Existing Debt Service - from Schedule VI	(44,379,125)	(41,905,293)	(39,297,964)	(39,190,896)	(39,062,585)	(34,217,563)
Special Fund Expenditures (Excluding Debt Service and Transfers)	\$ 59,943,864	\$ 62,612,993	\$ 72,335,570	\$ 79,849,352	\$ 81,733,303	\$ 90,456,422

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule V: TOT Fund/Special Promotional Program Allocations (Reflected in Base Case and Alternative Scenarios)

	Budgeted FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Revenue						
TOT Allocation	\$ 57,074,104	\$ 60,843,408	\$ 63,885,578	\$ 67,079,857	\$ 70,433,850	\$ 73,955,542
Sales Tax Allocation	39,951,873	42,590,385	44,719,905	46,955,900	49,303,695	51,768,880
Total Revenue*	\$ 97,025,977	\$ 103,433,793	\$ 108,605,483	\$ 114,035,757	\$ 119,737,545	\$ 125,724,422
Special Promo Allocations						
Economic Development						
Citywide	13,668,855	12,301,970	12,671,030	13,051,160	13,442,695	13,845,976
Economic Development & Tourism Support	647,596	589,062	606,734	624,936	643,684	662,994
Total Economic Development	\$ 14,316,451	\$ 12,891,032	\$ 13,277,764	\$ 13,676,096	\$ 14,086,379	\$ 14,508,970
Safety and Maintenance						
Administration	180,545	180,545	180,545	180,545	180,545	180,545
Visitor-Related Facilities	514,255	184,255	184,255	184,255	184,255	184,255
Park Ranger	79,405	86,534	86,534	86,534	86,534	86,534
Qualcomm Stadium	6,000,000	3,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Mission Trails Regional Park Foundation	40,500	36,450	37,544	38,670	39,830	41,025
Total Safety and Maintenance	\$ 6,814,705	\$ 3,987,784	\$ 6,988,878	\$ 6,990,004	\$ 6,991,164	\$ 6,992,359
Capital Improvements						
Balboa Park/Mission Bay Park	6,218,022	6,673,757	6,659,382	6,667,233	6,663,004	5,274,612
Balboa Park Tram	297,541	297,541	297,541	297,541	297,541	297,541
Trolley Extension Reserve	3,809,527	4,079,171	4,084,431	4,079,881	1,151,224	1,151,574
Natural History Museum	300,000	300,000	-	-	-	-
Convention Center Complex	9,652,649	9,721,006	10,360,951	11,029,694	11,728,530	12,458,814
New Convention Facility Subsidy	4,564,172	4,339,198	4,469,374	4,603,455	4,741,559	4,883,806
Library System Financing Plan	-	-	6,096,283	6,370,616	6,657,294	6,956,872
PETCO Park Financing Plan	9,441,943	18,429,197	12,956,743	16,658,950	17,630,076	19,433,325
Total Capital Improvements	\$ 34,283,854	\$ 43,839,870	\$ 44,924,705	\$ 49,707,370	\$ 48,869,228	\$ 50,456,544
Arts, Culture & Community Festivals						
Administration	785,085	808,638	832,897	857,884	883,620	910,129
Arts & Culture Allocations	7,704,551	6,934,095	7,142,118	7,356,382	7,577,074	7,804,386
Total Arts, Culture & Community Festivals	\$ 8,489,636	\$ 7,742,733	\$ 7,975,015	\$ 8,214,266	\$ 8,460,694	\$ 8,714,515
Major Events	\$ 280,134	\$ 288,538	\$ 297,194	\$ 306,109	\$ 315,293	\$ 324,752
Total Special Promo Allocations	\$ 64,184,780	\$ 68,749,957	\$ 73,463,556	\$ 78,893,845	\$ 78,722,758	\$ 80,997,140
Transfer to General Fund	\$ 32,841,197	\$ 34,683,836	\$ 35,141,927	\$ 35,141,912	\$ 41,014,787	\$ 44,727,282

* This revenue is an allocation of 5.0 cents of TOT and the equivalent of 3.5 cents of sales tax for total revenue equivalent to 8.5 cents of TOT. This allocation does not include the remaining 2 cent equivalent of TOT, which is allocated directly to the General Fund.

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule VI: Annual Debt Service (Reflected in Base Case and Alternative Scenarios)

	Estimated FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Existing Debt						
General Obligation Debt Service						
Public Safety Communications, 1991	\$ 2,333,935	\$ 2,329,135	\$ 2,329,935	\$ 2,328,948	\$ 2,332,273	\$ 2,327,798
Open Space Park Refunding Series 1994	7,311,468	437,988	438,300	437,025	434,600	-
Total General Obligation Debt Service	\$ 9,645,403	\$ 2,767,123	\$ 2,768,235	\$ 2,765,973	\$ 2,766,873	\$ 2,327,798
Less: Non-General Purpose Revenues						
Property Tax for Public Safety D/S	\$ (2,333,935)	\$ (2,329,135)	\$ (2,329,935)	\$ (2,328,948)	\$ (2,332,273)	\$ (2,327,798)
Net General Obligation Debt Service	\$ 7,311,468	\$ 437,988	\$ 438,300	\$ 437,025	\$ 434,600	\$ -
COPs and Lease Revenue Debt Service						
Balboa Park & Mission Bay Park, 1996A	\$ 3,530,608	\$ 3,531,043	\$ 3,527,088	\$ 3,528,679	\$ 3,529,135	\$ 3,531,735
Balboa Park & Mission Bay Park Refunding, 1996B	881,860	880,065	877,165	882,865	877,130	884,778
Balboa Park & Mission Bay Park Refunding, 2003	1,705,554	2,162,649	2,155,129	2,155,689	2,156,739	758,099
Bayside Trolley Extension/Police Facilities Refunding, 1994	7,928,191	5,405,920	2,929,483	2,922,533	2,925,813	-
Jack Murphy (Qualcomm) Stadium Bonds, 1996	5,771,703	5,773,503	5,769,248	5,773,203	5,769,853	5,769,853
Convention Center Expansion Bonds, 1998	13,700,545	13,700,545	13,698,665	13,699,125	13,698,438	13,700,968
Ballpark and Redevelopment Project Bonds 2002 A	8,737,184	15,040,275	15,038,338	15,035,675	15,036,573	15,039,958
Fire & Life Safety Improvements - Phase I, 2002 B	1,646,408	1,641,308	1,629,458	1,621,208	1,611,208	1,617,570
City/MTDB Authority Refunding - Old Town Trolley Ext. 2003	889,149	1,152,249	1,154,949	1,157,349	1,151,224	1,151,574
Gross Lease Debt Service	\$ 44,791,202	\$ 49,287,557	\$ 46,779,523	\$ 46,776,326	\$ 46,756,113	\$ 42,454,535
Less: Non-General Purpose Revenues						
Port Transfer for Convention Center Debt Service	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)
Sports Arena Transfer for Qualcomm Stadium Debt Service	(3,223,545)	(3,320,251)	(3,419,859)	(3,522,455)	(3,628,128)	(3,736,972)
Net Lease Debt Service	\$ 37,067,657	\$ 41,467,306	\$ 38,859,664	\$ 38,753,871	\$ 38,627,985	\$ 34,217,563
Total Gross Existing Debt Service	\$ 54,436,605	\$ 52,054,680	\$ 49,547,758	\$ 49,542,299	\$ 49,522,986	\$ 44,782,333
Total Net Existing Debt Service	\$ 44,379,125	\$ 41,905,293	\$ 39,297,964	\$ 39,190,896	\$ 39,062,585	\$ 34,217,563
Anticipated Debt Issuances						
Anticipated Fire & Life Safety Improvements - Phase II	\$ -	\$ -	\$ 1,778,911	\$ 2,941,472	\$ 2,938,847	\$ 2,940,160
Anticipated Library System Improvements - Phase I, II, and III	-	-	6,257,573	6,259,192	12,515,872	12,518,785
Gross Anticipated Debt Service	\$ -	\$ -	\$ 8,036,484	\$ 9,200,664	\$ 15,454,719	\$ 15,458,945
Less:						
Tobacco Allocation for Library System Improvements D/S	-	-	(2,415,000)	(2,415,000)	(2,415,000)	(2,415,000)
Net Anticipated Debt Service	\$ -	\$ -	\$ 5,621,484	\$ 6,785,664	\$ 13,039,719	\$ 13,043,945
Total Gross Existing + Anticipated Debt Service	\$ 54,436,605	\$ 52,054,680	\$ 57,584,242	\$ 58,742,963	\$ 64,977,705	\$ 60,241,278
Total Net Existing + Anticipated Debt Service	\$ 44,379,125	\$ 41,905,293	\$ 44,919,448	\$ 45,976,560	\$ 52,102,304	\$ 47,261,508

CITY OF SAN DIEGO

General Fund Financial Forecast Model

Schedule VII: Outstanding Principal on General Fund Debt (Reflected in Base Case and Alternative Scenarios)

	Outstanding 6/30/2005	Outstanding 6/30/2006	Outstanding 6/30/2007	Outstanding 6/30/2008	Outstanding 6/30/2009	Outstanding 6/30/2010
Existing Debt						
General Obligation Bonds						
Public Safety Communications, 1991	\$ 13,010,000	\$ 11,520,000	\$ 9,905,000	\$ 8,170,000	\$ 6,315,000	\$ 4,340,000
Open Space Park Ref., Series 1994	1,520,000	1,170,000	800,000	410,000	-	-
Total General Obligation Bonds	\$ 14,530,000	\$ 12,690,000	\$ 10,705,000	\$ 8,580,000	\$ 6,315,000	\$ 4,340,000
COPs and Lease Revenue Bonds						
Balboa Park & Mission Bay Park, 1996A	18,070,000	15,440,000	12,675,000	9,760,000	6,685,000	3,435,000
Balboa Park & Mission Bay Park Refunding, 1996B	9,520,000	9,180,000	8,825,000	8,445,000	8,050,000	7,625,000
Balboa Park & Mission Bay Park Refunding, 2003	15,710,000	14,000,000	12,270,000	10,490,000	8,655,000	8,195,000
Bayside Trolley Extension/Police Facilities Refunding, 1994	14,890,000	10,240,000	7,880,000	5,390,000	2,770,000	-
Jack Murphy (Qualcomm) Stadium Bonds, 1996	61,720,000	60,490,000	59,180,000	57,775,000	56,275,000	54,670,000
Convention Center Expansion Bonds, 1998	187,980,000	183,300,000	178,430,000	173,355,000	168,065,000	162,545,000
Ballpark and Redevelopment Project Bonds 2002 A	169,685,000	167,560,000	165,285,000	162,850,000	160,240,000	157,440,000
Fire & Life Safety Improvements - Phase I, 2002 B	24,235,000	23,780,000	23,305,000	22,805,000	22,280,000	21,730,000
City/MTDB Authority Refunding - Old Town Trolley Ext. 2003	14,665,000	14,050,000	13,420,000	12,775,000	12,120,000	11,445,000
Total COPs and Lease Revenue Bonds	\$ 516,475,000	\$ 498,040,000	\$ 481,270,000	\$ 463,645,000	\$ 445,140,000	\$ 427,085,000
Total Outstanding Principal (Existing Debt)	\$ 531,005,000	\$ 510,730,000	\$ 491,975,000	\$ 472,225,000	\$ 451,455,000	\$ 431,425,000
Anticipated Debt Issuances						
Anticipated Fire & Life Safety Improvements - Phase II	\$ -	\$ 41,090,000	\$ 40,470,000	\$ 39,820,000	\$ 39,145,000	\$ 38,440,000
Anticipated Library System Improvements - Phase I, II, and III	-	87,450,000	86,115,000	171,070,000	169,510,000	184,255,000
Total Anticipated Debt Issuances	\$ -	\$ 128,540,000	\$ 126,585,000	\$ 210,890,000	\$ 208,655,000	\$ 222,695,000
Total Outstanding Principal (Existing + Anticipated)	\$ 531,005,000	\$ 639,270,000	\$ 618,560,000	\$ 683,115,000	\$ 660,110,000	\$ 654,120,000

CITY OF SAN DIEGO
General Fund Financial Forecast Model

Schedule VIII: Financial and Debt Indicators (Reflected in Base Case and Alternative Scenarios)

	Estimated FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10
Existing Debt						
Total General Obligation Debt Service	\$ 9,645,403	\$ 2,767,123	\$ 2,768,235	\$ 2,765,973	\$ 2,766,873	\$ 2,327,798
Net General Obligation Debt Service	7,311,468	437,988	438,300	437,025	434,600	-
Gross Lease Debt Service	44,791,202	49,287,557	46,779,523	46,776,326	46,756,113	42,454,535
Net Lease Debt Service	37,067,657	41,467,306	38,859,664	38,753,871	38,627,985	34,217,563
Total Gross Debt Service	\$ 54,436,605	\$ 52,054,680	\$ 49,547,758	\$ 49,542,299	\$ 49,522,986	\$ 44,782,333
Total Net Debt Service	\$ 44,379,125	\$ 41,905,293	\$ 39,297,964	\$ 39,190,896	\$ 39,062,585	\$ 34,217,563
Total Outstanding Principal (Existing Debt)	\$ 531,005,000	\$ 510,730,000	\$ 491,975,000	\$ 472,225,000	\$ 451,455,000	\$ 431,425,000
REVENUES						
Total General Fund Revenues - from Schedule II, Scenario 2	\$ 819,594,609	\$ 860,745,599	\$ 916,549,655	\$ 958,136,705	\$ 1,005,409,842	\$ 1,051,356,200
Special Fund Revenues for Debt Service - from Schedule IV	104,322,989	104,518,286	111,633,534	119,040,248	120,795,888	124,673,985
Total Revenues for Financial Ratios	\$ 923,917,598	\$ 965,263,885	\$ 1,028,183,189	\$ 1,077,176,953	\$ 1,126,205,730	\$ 1,176,030,185
Total Net Assessed Value (\$000)*	127,507,750	136,433,292	145,301,456	154,019,544	162,490,618	171,427,603
Population**	1,306,748	1,319,464	1,332,180	1,344,896	1,357,612	1,370,328
FINANCIAL RATIOS (EXISTING DEBT)						
Gross Lease Burden	4.85%	5.11%	4.55%	4.34%	4.15%	3.61%
Net Lease Burden	4.01%	4.30%	3.78%	3.60%	3.43%	2.91%
Direct Gross Debt as a % of AV	0.42%	0.37%	0.34%	0.31%	0.28%	0.25%
Direct Net Debt as a % of AV	0.41%	0.37%	0.33%	0.30%	0.27%	0.25%
AV per Capita	\$ 97,576	\$ 103,401	\$ 109,070	\$ 114,522	\$ 119,689	\$ 125,100
Debt per Capita	\$ 406	\$ 387	\$ 369	\$ 351	\$ 333	\$ 315
General Fund Reserve	\$ 32,886,371	\$ 36,601,836	\$ 42,534,968	\$ 47,026,476	\$ 50,116,015	\$ 52,451,058
General Fund Reserve / General Fund Revenues - Budgeted	4.02%	4.27%	4.67%	4.93%	5.00%	5.00%
General Purpose Reserves (GF and other General Reserves)***	\$ 54,586,371	\$ 58,301,836	\$ 64,234,968	\$ 68,726,476	\$ 71,816,015	\$ 74,151,058
General Purpose Reserves / General Purpose Revenues	5.91%	6.04%	6.25%	6.38%	6.38%	6.31%

Anticipated Debt

Gross Anticipated Lease Debt Service	\$ -	\$ -	\$ 8,036,484	\$ 9,200,664	\$ 15,454,719	\$ 15,458,945
Net Anticipated Lease Debt Service	-	-	5,621,484	6,785,664	13,039,719	13,043,945
Total Outstanding Principal (Anticipated Debt)	\$ -	\$ 128,540,000	\$ 126,585,000	\$ 210,890,000	\$ 208,655,000	\$ 222,695,000
FINANCIAL RATIOS (EXISTING & ANTICIPATED DEBT)						
Gross Lease Burden	4.85%	5.11%	5.33%	5.20%	5.52%	4.92%
Net Lease Burden	4.01%	4.30%	4.33%	4.23%	4.59%	4.02%
Direct Gross Debt as a % of AV	0.42%	0.47%	0.43%	0.44%	0.41%	0.38%
Direct Net Debt as a % of AV	0.41%	0.46%	0.42%	0.44%	0.40%	0.38%
AV per Capita	\$ 97,576	\$ 103,401	\$ 109,070	\$ 114,522	\$ 119,689	\$ 125,100
Debt per Capita	\$ 406	\$ 484	\$ 464	\$ 508	\$ 486	\$ 477

 * Total Gross Secured and Unsecured Assessed Valuation of all taxable property **excluding** Redevelopment Areas, **less** Exemptions (homeowners' and business inventory).

The forecast assumes a 7.0% growth rate in FY06, 6.5% growth in FY07, 6.0% growth in FY08, and 5.5% growth in FY 09 and FY 10.

** Growth rates based on SANDAG projections.

*** Assumes continuation of FY 2005 General Reserves of \$21,700,000.